

Maine Revised Statutes
Title 36: TAXATION
Chapter 101: GENERAL PROVISIONS

§208-A. ADJUSTMENT FOR SUDDEN AND SEVERE DISRUPTION OF VALUATION

1. Request for adjustment. A municipality that has experienced a sudden and severe disruption in its municipal valuation may request an adjustment to the equalized valuation determined by the State Tax Assessor under section 208 for the purposes of calculating distributions of education funding under Title 20-A, chapter 606-B and state-municipal revenue sharing under Title 30-A, section 5681. A municipality requesting an adjustment under this section must file a petition, with supporting documentation, with the State Tax Assessor by March 31st of the year following the tax year in which the sudden and severe disruption occurred and indicate the time period for which adjustments to distributions are requested under subsection 5.

[2013, c. 368, Pt. O, §2 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

2. Sudden and severe disruption. A municipality experiences a sudden and severe disruption in its municipal valuation if:

A. The municipality experiences a net reduction in equalized municipal valuation of at least 2% from the equalized municipal valuation that would apply without adjustment under this section; [2013, c. 368, Pt. O, §3 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

B. The net reduction in equalized municipal valuation is attributable to the cessation of business operations, removal, functional or economic obsolescence not due to short-term market volatility or destruction of or damage to property resulting from disaster attributable to a single taxpayer that occurred in or was not reasonably determinable until the prior tax year; and [2013, c. 368, Pt. O, §3 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

C. The municipality's equalized tax rate of residential property exceeds the state average. [2007, c. 322, §2 (RPR) .]

For purposes of this subsection, "removal" does not include property that was present in the municipality for less than 24 months. This subsection does not apply to property acquired by a municipality that otherwise could seek relief pursuant to this section.

[2013, c. 368, Pt. O, §3 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

3. Procedure. A municipality may request an adjustment under this section by filing a petition with the State Tax Assessor in accordance with this subsection.

A. The municipality, on forms prescribed by the State Tax Assessor, shall identify a net reduction in equalized municipal valuation of at least 2% of the municipality's equalized value attributable to the property of a single taxpayer, the date of the loss and the cause of the loss. The municipality must include an appraisal report prepared by a qualified professional appraiser with respect to the property responsible for the loss that shows the value of the property immediately prior to the loss and the value of the property following the loss. The appraisal report must include a summary of the appraiser's consideration of the cost, income capitalization and sales comparison approaches to the value of the property. The municipality is required to provide any other documentation to support its

claim as determined by the State Tax Assessor, including, if requested, all records associated with the municipality's assessment of the property subject to the requested adjustment for the 3-year period prior to the date of the reduction in valuation.

For purposes of this paragraph, "qualified professional appraiser" means an individual who has at least 5 years' experience determining the just value of real and personal property of the commercial and industrial type using the 3 standard methods of valuation and who attests in writing to the State Tax Assessor that the individual has a current working knowledge of the application of the 3 standard methods of valuation to real and personal property of the commercial and industrial type and:

- (1) Is a certified general real property appraiser licensed under Title 32, chapter 124; or
- (2) Is an assessor certified under Title 36, section 310. [2013, c. 368, Pt. O, §4 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

B. The State Tax Assessor shall examine the documentation provided by the municipality and determine whether the municipality qualifies for an adjustment under this section. [2013, c. 368, Pt. O, §4 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

C. If the State Tax Assessor determines that a municipality qualifies for an adjustment under this section, the State Tax Assessor shall calculate the amount of the adjustment for the municipality by determining the amount by which the state valuation determined under section 208 would be reduced as a result of the net sudden and severe disruption of equalized municipal valuation for the state valuations to be used in the next fiscal year by the Commissioner of Education and the Treasurer of State. The State Tax Assessor shall adjust subsequent state valuations until such time as the state valuation recognizes the loss. The State Tax Assessor may limit the time period or amount of adjustment to reflect the circumstances of the sudden and severe loss of valuation. [2013, c. 368, Pt. O, §4 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

[2013, c. 368, Pt. O, §11 (AFF); 2013, c. 368, Pt. O, §4 (RPR); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

4. Notifications. After review of the claim, the State Tax Assessor, in writing, shall approve or deny, in whole or in part, the adjustment requested.

A. The written decision must include the findings of fact upon which the decision is based.

Notwithstanding section 151, the State Tax Assessor's written determination constitutes final agency action that is subject to review by the Superior Court in accordance with the Maine Administrative Procedure Act, except that Title 5, section 11006 does not apply. [2013, c. 368, Pt. O, §5 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

B. Within 30 days of providing the municipality the written determination denying, in whole or in part, a claim for adjustment, the State Tax Assessor shall provide a copy of the denial letter to the joint standing committee of the Legislature having jurisdiction over taxation matters. [2013, c. 368, Pt. O, §5 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

C. The State Tax Assessor shall notify the Commissioner of Education and the Treasurer of State of any adjustment to state valuation determined under this section and the time period to which the adjustment applies. [2013, c. 368, Pt. O, §5 (NEW); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

[2013, c. 368, Pt. O, §11 (AFF); 2013, c. 368, Pt. O, §5 (RPR); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

5. Effect of modified state valuation. The determination of an adjustment to state valuation has the following effect.

A. The Commissioner of Education shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating education funding obligations for the following fiscal year.

[2013, c. 368, Pt. O, §6 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

B. The Treasurer of State shall use the adjusted state valuation amount instead of the valuation certified under section 305 in calculating distributions of state-municipal revenue sharing for the following fiscal year. [2013, c. 368, Pt. O, §6 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF).]

[2013, c. 368, Pt. O, §6 (AMD); 2013, c. 368, Pt. O, §11 (AFF); 2013, c. 385, §§1, 3 (AFF); 2013, c. 544, §§6, 7 (AFF) .]

6. Report. By February 1st, annually, the State Tax Assessor shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters identifying all requests for adjustment of equalized valuation under this section during the previous calendar year, the assessor's determination regarding each request and the amount of any payments made by the Commissioner of Education under subsection 5, paragraph A.

[2007, c. 322, §2 (NEW) .]

SECTION HISTORY

1997, c. 688, §1 (NEW). 2001, c. 579, §1 (AMD). 2005, c. 332, §11 (AMD). 2007, c. 322, §2 (RPR). 2013, c. 368, Pt. O, §§2-6 (AMD). 2013, c. 368, Pt. O, §11 (AFF). 2013, c. 385, §§1, 3 (AFF). 2013, c. 544, §§6, 7 (AFF).

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